

## Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

|  |   |                          |
|--|---|--------------------------|
| <b>LRB Number</b> <b>09-1836/1</b>   | <b>Introduction Number</b> <b>AB-0482</b>                 |                          |
| <b>Description</b><br>The minimum sale price of prescription drugs   |   |                          |
| <b>Fiscal Effect</b><br><br><b>State:</b><br><div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input checked="" type="checkbox"/> No State Fiscal Effect<br/> <input type="checkbox"/> Indeterminate<br/>                     <input type="checkbox"/> Increase Existing Appropriations<br/>                     <input type="checkbox"/> Decrease Existing Appropriations<br/>                     <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues<br/> <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 35%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br/>                     <input type="checkbox"/> Yes                      <input type="checkbox"/> No<br/> <input type="checkbox"/> Decrease Costs                 </div> </div><br><b>Local:</b><br><div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input type="checkbox"/> No Local Government Costs<br/> <input type="checkbox"/> Indeterminate<br/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">                     1. <input type="checkbox"/> Increase Costs<br/>                         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br/>                     2. <input type="checkbox"/> Decrease Costs<br/>                         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 45%;">                     3. <input type="checkbox"/> Increase Revenue<br/>                         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br/>                     4. <input type="checkbox"/> Decrease Revenue<br/>                         <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> </div> </div> <div style="width: 35%;"> <b>5.Types of Local Government Units Affected</b><br/> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Towns<br/> <input type="checkbox"/> Counties<br/> <input type="checkbox"/> School Districts                         </div> <div style="width: 30%;"> <input type="checkbox"/> Village<br/> <input type="checkbox"/> Others<br/> <input type="checkbox"/> WTCS Districts                         </div> <div style="width: 35%;"> <input type="checkbox"/> Cities                         </div> </div> </div> </div> |   |                          |
| <b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b><br><input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS   |   |                          |
| <b>Agency/Prepared By</b><br>DATCP/ Kevin LeRoy (608) 224-4928   | <b>Authorized Signature</b><br>Bill Walker (608) 224-4353 | <b>Date</b><br>10/8/2009 |

**Fiscal Estimate Narratives**  
**DATCP 10/8/2009**

|  |           |                     |         |               |          |
|--|-----------|---------------------|---------|---------------|----------|
| LRB Number   | 09-1836/1 | Introduction Number | AB-0482 | Estimate Type | Original |
| <b>Description</b><br>The minimum sale price of prescription drugs |           |                     |         |               |          |

**Assumptions Used in Arriving at Fiscal Estimate**

The Unfair Sales Act prohibits retailers and wholesalers from selling products at a price that is less than the sellers "cost" as the term is defined in the act. (For certain product, the statutory definition of "cost" includes a minimum markup to represent the "cost of doing business." However, for most products, including prescription drugs, "cost" is defined, generally, as the price paid by the seller.)

Current law contains a list of exceptions to the prohibition of selling merchandise below cost. For example, current exceptions include meeting the price of a competitor, seasonal clearance sales, going out of business sales, etc. This proposed bill would add an additional exception allowing for sales below cost as long as the merchandise sold is prescription drugs.

DATCP is the agency primarily responsible for state enforcement of the Unfair Sales Sales Act. Generally, DATCP conducts investigations of alleged Unfair Sales Act violations based on complaints. In recent years we have not received any complaints relating to allegedly selling prescription drugs at a price that is less than cost. Therefore, we estimate that this bill would not have any significant fiscal effect on DATCP.

**Long-Range Fiscal Implications**